



Montenegro
Ministry of transport and maritime affairs

**Railway working group meeting – Skopje,
20th - 21st March 2013th**

Over the past six months, Montenegro has continued the activities in order to harmonize national legislation with the EU regulations, as well as with the investment in the improvement of the railway network and the improvement of the operations of railway companies.

National legislation:

Speaking about the national legislation, in June 2013th a new Law on Railways (OG 27/13) was adopted, but its implementation has started in January this year. Compared to the previous one, the new Law on Railways has brought a lot of innovations, which is the main reason for the postponement of the implementation of the Law, because the new Law provisions required some time for the Ministry of Transport, Directory for Railways and railway companies to organize their business activities and make certain changes in their work.

Among other things, a new Law on Railways defines a legal basis for signing a contract for PSO and gives a detailed explanation of obligations in providing passengers transport of public interest. Although it was planned for the contract to be signed in 2014th these activities haven't been completed yet, because by-law which is the base for contract signing has not been adopted yet. As we meet these requirements for the first time and we don't have adequate experience in this field, as a candidate at the previous EC screenings, we had a request for assistance (from Slovenia) to prepare a by-law and a contract, so we expect for these activities to be completed during the forthcoming period. After we prepare by-law and contract, according to the Government program, the administrative part should be completed by the end of this year. Technical assistance from Slovenia was also requested for development of methodology for track access charges.

In January of 2014th a new Law on safety, organization and efficiency of railway transport (OG 1/14) entered into force. It is actually Law on safety and interoperability, but by amendment actions during the parliamentary procedure, the name of this law has been changed, as the word interoperability wasn't familiar to Montenegrin language, but content of the Law wasn't changed. This Law also has a lot of innovations compared to the organization of the system so far, and those are some innovations that Montenegro didn't have a chance to deal with yet. For those reason, within the possibilities for obtaining technical assistance from certain countries which have expressed interest in this kind of cooperation, we have requested technical assistance for preparation of Directory for railways, for work of regulatory body and body for safety, then help for preparation of the railway companies for better implementation of Law. We also required technical assistance for training of employees in railway companies in order to establish efficient SMS system.

Directorate of Railways had technical assistance from the EU Delegation in Podgorica. Technical assistance has been approved for the development of by-laws relating to the licensing of train drivers and permission to use the vehicle. Regulations for the TSI (Technical Specification for Interoperability) hasn't been done yet, even though it was



planned, because this is extensive documentation and requires a longer period of time to be completed. Within this technical assistance, training for all employees of the Directorate to implement the new provisions on security (SMS, CSM, CST, CSI) was also held.

In May 2013th Directorate issued a ECM certificate to freight company MONTECARGO, as the authorized person to maintain their own vehicles according to the rules and patterns of OTIF. Certificate is valid for one year and before reissuing another one, checking out of maintenance system will be carried out by the Directorate employees.

In accordance with the new Law on safety, railway undertaking and infrastructure manager adopted Regulation on procedures of work of the Sector for internal control.

Funds for the establishment of NIB (national investigation body) have been allocated through National Budget for 2014. As we have previously stated, it will be a joint body for air, rail and maritime transport, which will have three employed inspectors (investigators) for each mode of transport and that will, in accordance with the Law, coordinate the work of Commission and will be in charge to implement all necessary activities. Descriptions of Responsibilities and obligations of employees in the national investigation body are defined by the Law, and the selection process of investigators is in progress.

Proposal of new Law of combined transport of freight is currently in parliamentary procedure.

Investments in infrastructure:

As for the investment in railway infrastructure, so far we completed certain projects and we made progress in improving the railway network in Montenegro. As a result of the investment, now we have about 40 % of repaired line Vrbnica - Bar, designed traffic speed and reduced travel time and trains delays. Part of the signalling and safety system and telecommunications equipment was repaired, and replacement of parts of contact network was also made. Also, works on electrification of station tracks in Bijelo Polje were completed, which as a result had the increase of the throughput capacity of this border station.

Cross-border cooperation:

The implementation of the Agreement with Serbia hasn't started yet, because the adaptation of facilities in station building in Bijelo Polje, for the border police of the two countries, still hasn't been carried out. Reconstruction of station building will start after resolving certain administrative issues. Having in mind that we already have a draft of Terms of Reference for a Preliminary and Main design, we are trying to provide funds for its reconstruction and adaptation so we can complete it in this year.

Projects in progress:

Audit of the Main design for the rehabilitation of the bridge "Trebiljevo" as one of the projects funded by the EIB, is in the final stage. The implementation of contract for Design and Technical control for 15 steel bridges on the railway line Vrbnica - Bar is in progress, which is also project funded by the EIB loan. Funds for the implementation of the contract are withdrawn from the account of the EIB.

Tender for selection of contractors for the rehabilitation of the railway section Kolašin - Kos is open until 30 April of 2014. The project is worth 5 million euro and it is financed by a loan



from the EBRD. Tender for the works on rehabilitation of five tunnels on section Kolasin – Podgorica is in progress, and it is planned to be published by the end of this month.

A contract for development of Main desing for rehabilitation of 12 slopes on section Kos - Trebješica - Lutovo - Bratonožići - Bioče - Podgorica was signed and its implementation will start on March 24th, and it will last until the end of this year. Preparation of project documentation and work implementation are financed from IPA funds, component III.

Dismantling of the existing and installation of new power station "Trebješica ", of estimated value 3.1 million euro is also financed from IPA funds, component III. The tender for works is in its final stage and it will be published under decentralized system of EU funds management.

In the initial phase of the implementation is WBIF grant in the amount of 1 million euro, which Montenegro has gained within X round for the WBIF. The funds will be used for: the preparation of project documentation for complete replacement of signal - safety devices, with the priority in preparation of design documentation for electronic signal boxes at the station Podgorica and the preparation of project documentation for the rehabilitation of 91 concrete bridges.

At the end of December 2013th a Pre-feasibility study and conceptual design of the new railway line Pljevlja - Bijelo Polje (Ravna Rijeka) - Berane - border with Kosovo*¹ was completed. According to the Feasibility study and Conceptual design this line was designed for speed ≥ 100 km/h. Corridors of railway route from Pljevlja to the border with Kosovo have been developed in two sections: 1 V1: Pljevlja - Bijelo Polje (Ravna Rijeka) and 2 V2 : Bijelo Polje (Ravna Rijeka) - Berane - the border with Kosovo. After a multi-criteria evaluation of both variants of the route section for further elaboration was proposed a variant of the section from Pljevlja to Bijelo Polje, which has an investment value amounting to 744.4 million euro, and under the same conditions, two versions of section from Ravna Rijeka to the border with Kosovo, which has an investment in the amount of 523 million euro and the other with the investment amount of 543 million euro. (It is estimated that the construction of the railway line would cost approximately 1.307 billion euro)

As part of the project "Danube Region Strategy ", on last conference meeting it was agreed that we nominate certain projects that we consider as important for the railway network in Montenegro. The project that we proposed in January this year regards to complete replacement of the signal – security and telecommunication devices on railway line Verbica - Bar. Bearing in mind the fact that the entire line from Bar to Belgrade is in the same situation when it comes to signal - security systems (which means it is outdated systems and requires high costs for maintenance) we considered this project as something that could be implemented as a joint project between Serbia and Montenegro, if the other part would be interested in it.

Railway undertaking:

When it comes to railway transport, there's been recorded a steady growth in the number of passengers, especially when we talk about local transport. The main reason for this was the establishment of passenger transport on line from Podgorica to Nikšić, adjustment of timetable to requirements of passengers, than introduction of three new electric trains, as

¹ * "This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence"



well as reparation of a large number of the existing wagons which led to the improvements in quality of transport services on all railway lines.

Freight transport:

As for the freight operator JSC "Montecargo", this year the company was included in the list of Privatization and Capital investment Council of Montenegro, as one of the companies that was determined by the Government to be privatized. As we haven't achieved cooperation with a consulting company Egis International, since it hasn't carried out any of the clauses of the contract regarding the submission of reports and proposals for privatization, we decided to terminate the contract.

Conclusions:

New provisions that have been adopted require a lot more obligations, responsibilities and include the reorganization of the system. In this regard, it is necessary for us to strengthen the institutional capacities. Having in mind current economic situation in country, at the moment we are not able to do so much on this issue, but it is certainly one of the things that we will aspire to.

Currently we are expecting to receive Screening report from EC, which will be of great importance in further harmonization of our legislation with EU regulations. As our new Law on Railways, which was adopted in June last year was completed before Directive 34/12 came into force, we planned to do complete analysis of compliance of the Law with this Directive. Once we get the Screening report we will consider possible amendments to the Law in order to achieve full compliance with Directive.

For all European regulations, which are listed in our correlation tables as partially compliant, deadline for full compliance and adoption of by-laws is two years, so it is important to note that we will intensively work on it in accordance with the priorities.